

Washington State Citizens Committee on Pipeline Safety
Meeting Minutes
Location: WUTC - Olympia, WA
March 16, 2006

Present

Katie Hansen, Chair
Duane Henderson
George Hills
Richard Kuprewicz
Pete Kmet
Grant Jensen
Shirley Olson
Bill Rickard
Leo Bowman

Absent

Carl Weimer, Vice Chair
Jean Buckner
Dave Barnes

Public present at the meeting

Alan Rathbun, Washington Utilities and Transportation Commission (UTC)
Tim Sweeney, Washington Utilities and Transportation Commission (UTC)
Marina Woodard, Washington Utilities and Transportation Commission (UTC)
Steve King, Washington Utilities and Transportation Commission (UTC)
Ilyne Lawson, Washington Utilities and Transportation Commission (UTC)
Rebecca Post, Washington State Department of Ecology (DOE)
Dan Kirschner, Northwest Gas Association (NWGA)
Wil Ricard, Chevron Pipe Line Company
Mel Sorenson, Northwest Propane Gas Association
Earl Tower, BP Olympic Pipeline Company

Agenda:

1. Welcome and Adoption of February 9, 2006 Meeting Minutes
2. UTC's Pipeline Safety Section Update
3. Public Comment
4. Update on 2006 Legislative Session – Bills impacting Pipeline Safety
5. Communication during emergencies – What is the Committee's role?
6. PHMSA/OPS Congressional reauthorization
7. Public Comment
8. Staff report on Small Gas System study
9. Update on Land Use around transmission pipelines
10. "Public Right to Know" – How do we make a decision?
11. Future Meeting Locations and Agendas – Other Business

1. **Welcome and Adoption of February 9, 2006 Meeting Minutes**

The meeting was brought to order. The Chair welcomed all members. The first discussion item was the minutes from the February 9, 2006 meeting. The committee members moved to adopt the minutes as written.

2. **Public Comment**

UTC Staff requested to move the agenda items "Staff Report on Small Gas System" study and "Update on Land Use around transmission pipelines" ahead of UTC's Pipeline Safety Section Update.

3. **Staff Report on Small Gas System study**

As discussed in previous meetings, UTC pipeline staff is progressing with the study of small gas systems. Staff has received inquiries from qualified applicants and conducted interviews to determine which applicant would be best suited to assist in the study. Having experience in master meters, local distribution companies, and technical standards boards in the Ohio area, applicant Paul Olexa has been selected to assist in the study. At this point in the study, the objective is to draft a level of understanding of current small gas study processes and determining the scope of work. As part of the data collection process, Paul is expected to begin interviews with local distribution companies in April. Staff requests the committee's input and questions throughout the study. The study is expected to end in the fall. The results may contribute to proposed agency request legislation that is submitted to the Governor.

4. **Update on Land Use around transmission pipelines**

The land use project emerged in response to what local and county governments can do to contribute to the health and safety of citizens in relation to pipeline safety. The UTC and other organizations facilitated workshops that generated ideas and encouraged feedback from the community about land use. The project developed the notion of consultation process which includes a model ordinance that requires local and county government involvement, with emphasis on the planning phase of land use decisions. Developing products that are both educational and marketable is a challenge, and Staff welcomes any delivery recommendations from elected officials. Members suggested addressing this issue with the Washington Association of Counties at one of their regular meetings, Staff also proposed bringing emergency management groups into future discussions.

5. **UTC Pipeline Safety Update**

Alan Rathbun, WUTC Pipeline Safety Director, provided an update from the pipeline safety section.

Williams NW Capacity Replacement Project

Work continues on two horizontal directional drills (HDD) which are part of the Capacity Replacement Project. The new 36-inch pipe has been pulled under the South Fork Stillaquamish. Several attempts at pulling the pipe under the North Fork of the

Stillaquamish and the North Fork Nooksack have failed. Williams continues to work on these crossings, but is in conversation with Federal Regulatory Commission (FERC) and the Corp of Engineers on possible alternative crossings. An open cut is the most likely alternative construction method. Williams' commitment is to have the system in service by the end of October.

UTC Receives OPS One-Call Grant for 2006

The federal Office of Pipeline Safety (OPS) has awarded the UTC pipeline safety program \$24,700 to pay for enforcement of the state law requiring that excavators request underground utility locates before digging. Last year, the commission asked the Attorney General to pursue a case of an excavator who had repeatedly hit natural gas lines. The case resulted in a \$20,000 fine and a training requirement for the excavator's employees. This grant will allow the commission and Attorney General's office to pursue additional cases of RCW 19.122 violations as it relates to pipelines. To begin developing its data collection efforts that will help identify the worst offenders, staff will begin contacting operators both formally and informally.

PHMSA/OPS issues Notice of Amendment to Cascade Natural Gas on KB Pipeline

Cascade Natural Gas (CNG) has indicated it will not contest the issues raised in a February 22 Notice of Amendment issued by the federal Office of Pipeline Safety and will make the requested revisions to its Operations and Maintenance plans and procedures. The Notice of Amendment was based on a review of CNG's procedures manual for the K-B pipeline and supporting materials. A Washington UTC pipeline safety inspector, acting as an agent for the federal regulatory agency, found that the manual did not have written procedures that satisfied federal pipeline safety requirements. The inspection was conducted in June 2005. The 18-mile Kelso-Beaver (K-B) Pipeline connects a co-generation facility and gypsum plant near Rainier, Oregon with the Williams Northwest Pipeline meter station located northeast of Kelso. The pipeline is jointly owned by Northwest Natural Gas (NWN), Portland General Electric (PGE) and U.S. Gypsum Companies. CNG will provide the necessary amended procedures by May 27, 2006.

Status Update on Avista Incident in Spokane

The investigation into a natural gas explosion which injured two people in Spokane on December 30, 2005 continues. To date, we have conducted follow-up interviews with the victims injured in the explosion, Avista employees, and first responders. The failed gas pipe and associated fitting is currently undergoing failure analysis at Engineering Systems Inc of Aurora, IL. A final report detailing the outcomes of the analysis will be issued by Engineering Systems once the testing has been completed.

Terms Expire for four Committee Members on July 31

The terms of members Pete Kmet, Shirley Olson, Duane Henderson and Grant Jensen will end on July 31, 2007 unless reappointed. Pete has asked the Association of Washington Cities if there is another city representative that may be interested in taking

his place on the committee, but he will apply for reappointment if no one responds. Shirley has applied for reappointment and is waiting for a response. Duane and Grant plan to apply for reappointment. One vacancy exists due to Nate Moxley's resignation. Two individuals are interested following the list serve notice. The Committee may wish to consider additional efforts at seeking replacements, if other vacancies will result from expiring terms.

6. **Update on 2006 Legislative Session - Bills impacting Pipeline Safety**

Senate Bill 5106 regarding hazardous materials inspections did not pass the house floor. SB 5106 would allow the UTC's rail safety program access to hazardous material sites owned and operated by the rail lines. Although the bill was not visibly opposed, it has failed three times and the UTC will review the bill before resubmitting.

7. **Communication during emergencies – What is the Committee's role?**

The committee discussed its role during pipeline emergency situations. The committee members determined that it would be best to table the issue while Jean Buckner was absent. Rebecca Post suggested that she could invite someone from the Department of the Military to speak at the next meeting and also contact Jean Buckner to find out how she would like to address the topic.

8. **Public Comment**

Rebecca Post would like the Department of Ecology to discuss its proposed Oil Spill Contingency Plan rule during the May 11, 2006 meeting. She also suggested having both the Department of the Military and the Department of Ecology discuss communications and roles during incidents.

Committee members discussed the importance of communications during incidents that occur in proximity to pipelines. After some dialogue regarding the difference between communication in emergencies and communication during incidents, committee members determined that the issue is related to the "Public's Right to Know." The committee exchanged ideas pertaining to the challenges and opportunities of educating the public about communication paths during incidents.

Committee members discussed drafting a 3-7 page annual report summary by the July meeting. The summary would outline the committee's purpose, accomplishments and types of issues that it undertakes. The committee's intention is to measure its achievements and aid in the development of a marketing tool that would promote the creation of similar committees in each state. Katie volunteered to draft a report for review at the next meeting.

9. **PHMSA/OPS Congressional reauthorization**

In addition to the Pipeline Safety Act of 2002, Committee members were provided with attachments outlining the Pipeline and Hazardous Materials Safety Administration's

(PHMSA), Pipeline Safety Trust's, National Association of Regulatory Utility Commissioners' (NARUC) testimony, and UTC's stance on the reauthorization of the 2006 Pipeline Safety Act.

PHMSA's plan to improve pipeline performance is based on managing risk, sharing responsibility, and providing effective stewardship. To manage risk, PHMSA has raised its pipeline safety standards, strengthened partnerships with states, implemented stronger enforcement; improved technology; and appropriated more resources. PHMSA has clarified the roles of federal, state and local government to strengthen partnerships. By adapting to changing requirements, PHMSA has provided effective stewardship. In response to the Pipeline Safety Act of 2002, PHMSA has been enforcing integrity management programs for both liquid and gas; developing standards for operator qualifications; implementing public education and mapping; employing damage prevention methods; and continuing its research and development program.

Members of the Pipeline Safety Trust along with others including Alan Rathbun met with Congressman Rick Larsen and engaged in a very positive discussion about changes that it would like to see implemented. Some of the Pipeline Safety Trusts' requests include more publicly available information; access to inspection findings and enforcement records; reporting on all over-pressurization events; financial responsibility requirements for pipeline corporations; dissemination of pipeline safety grants; reauthorization of pipeline damage prevention at the state level; implementation of the Pipelines and Informed Planning Alliance (PIPA); a date certain implementation of Distribution Integrity Management (DIMP) and Excess Flow Valves (EFV); and the future expansion of High Consequence Areas.

Staff's comments during the meeting with Congressman Larsen included advising him that the Pipeline Safety Improvement Act of 2002 stopped short of directing that states set or enforce standards on interstate pipeline facilities. Staff verbally asserted that the UTC can be most effective in ensuring the public's safety if OPS's processes are improved. Since the state does not have enforcement authority, it is imperative that OPS and UTC have a close working relationship. UTC recommends that OPS provide prompt attention to interpretation requests, prompt enforcement decisions, process transparency, and enhanced construction oversight.

The Committee discussed the regulatory gap related to new pipeline construction inspection. The Federal Energy Regulatory Commission (FERC) is mainly chartered with gas transmission pipeline siting and permitting. They also claim responsibility for assuring construction standards are met, but their inspection activities during construction are very limited. PHMSA, responsible for ensuring compliance with federal safety regulation does not take jurisdiction until the pipe is pressurized which is well past the time of construction. Thus, there is a construction oversight gap that needs to be addressed for inspection during the critical gas pipeline construction phase. This is often

where anomalies are introduced that could fail at a later date with potential high consequence.

NARUC seeks to increase in federal grant funding to meet state resource requirements; increase the damage prevention grant from \$1 million to \$2.5 million; include additional safety improvements in the DIMP Program; and increase grant funding from 50% to 80% for pipeline safety programs that enforce excavation damage prevention. NARUC's remarks also reflected the opinion that federally mandating the installation of EFVs on service lines is not necessary.

In response to all of the information provided by the organizations, the committee passed a unanimous motion to draft a letter addressing the Washington Congressional Delegation and to the Governor by March 24, 2006. The letter will focus on encouraging states to have citizens groups, increasing the use of state resources, identifying that the federal/state relationship is crucial to the agency's success, making appropriate funding available, and promoting OPS's design and testing oversight on inspection standards during construction.

10. **Future Meeting Locations and Agendas – Other Business**

The committee determined that it would plan to meet in Bellevue on July 19, 2006 and tour the Williams Capacity Replacement project on July 20, 2006. Katie requested that staff research hotels in the area for committee members who will be staying overnight.

Staff suggested meeting in Spokane on the afternoon on September 13, 2006 and touring the deployment drill on September 14, 2006. The committee also discussed the benefit of inviting interested parties to attend both Bellevue and Spokane meetings.

The committee decided that communications during emergencies should also include incidents in proximity to pipelines. This issue will be addressed as part of the Public's Right to Know.

Agenda items for discussion at the next meeting and beyond:

- Scheduling a discussion topic relative to what UTC inspections involve.
- Continued updates on UTC statutes.
- A tour of the One Call Center in Vancouver in 2007.

11. **"Public Right to Know" – How do we make a decision?**

The committee discussed the "Citizens Committee Direction" e-mail that was sent to members shortly after the last meeting. The e-mail contains attachments that document the extensive work that the committee has invested into prioritizing its goals and identifies how "Public Right to Know" has become the committee's first priority. Many of the committee members requested clarification of the matrices attached to the e-mail. The committee will continue its discussion of how "Public Right to Know" will be prioritized once the information in the matrices has been reformatted and condensed.

Next Meeting

The next Citizens Committee meeting is scheduled for May 11, 2006 in Olympia. The meeting location will be communicated via e-mail and posted to the WUTC website.

The meeting adjourned at 2:50 PM.